Department of State

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OUTGOING TELEGRAM

DEPARTMENT OF STATE ACDS/CPFL Control 3581
SECRET
REVIEWED BY VWolfJr 5/25/82
RDS☐or XDS☐EXT. DATE
TS AUTH. REASON(S)
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August 18, 1947
6 p.m.

1600

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AMEMBASSY

TEHRAN

NIACT 487

EO URGENT

1. We have been giving careful study to various aspects of situation created by endeavors of Sov Union to obtain oil concession in Iran and our thinking for your information only at present is along following lines:

(a) In case Sov Union should succeed in obtaining oil concession in Iran it will use such concession as base for obtaining control of that country by devious methods of infiltration, pressure etc. No safeguards which Iranians might place around such concession in signing contract would be able to prevent Sov Union from using concession as spearhead for penetration of Iran in manner which will make it extremely difficult for US to prove any single act of aggression. Granting of any kind of oil concession by Iran to Sov Union therefore would seriously endanger future independence and integrity of Iran. Loss of Iranian independence to Sov Union would be injurious to US interests. Therefore it would be contrary to interests of US for Iran to grant any kind of oil concession to Sov Union.

(b) It would also be disadvantageous to our interests for Sov Union, Iran or world at large to have any justification for believing that we are endeavoring to influence Iran to refuse to grant oil concessions to Sov Union. We should therefore not endeavor to exercise any such influence.

(c) It would also be disadvantageous to our interests for Iran to obtain impression that we believe situation in Iran and in world generally would be eased if Iran would grant concession to Sov Union or that Iran could

not expect

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not expect support from us in United Nations if Sov Union should adopt a threatening attitude following Iranian refusal to grant concession. In event Iran should refuse to grant concession undoubtedly Sov Union and certain elements outside Sov Union would charge that US influenced that decision. As result additional strain would probably be placed upon our relations with Sov Union and we would be subjected to severe criticism by those non-Soviet elements which believe Sov demands in northern Iran are justified. It would be unfortunate however for us to permit considerations of this kind to cause us to take an attitude likely to discourage Iranians from making kind of decision, regardless of Sov pressure, which they regard to be Iranian interests.

2. In case Iranian Govt should request advice from us as to whether it should grant oil concession to Sov Union our attitude should be somewhat as follows:

(a) It is our opinion that Iranian Govt alone is in position to make decision of this kind. It would not be proper for US or any other power to endeavor to influence such decision. Furthermore US believes that it would be in better position to continue to support before UN integrity and independence of Iran if it did not participate in such decision.

(b) US assumes that in making such decision Iranian Govt will consider carefully what effects of it might be upon future political independence and economic advancement of country. It is our belief that if Iran is to develop as an independent prosperous country it must in making decisions of this kind not permit itself to succumb to external pressure but should consider national interests of Iran from long-range point of view. Iran also should not permit any kind of pressure to cause it to overlook existence of UN or lose confidence in determination of US and other members of UN to continue to support principles of UN Charter.

3. If responsible leaders Iranian Govt inform you that members Majlis have definitely decided to refuse to grant Soviet concession and seek suggestions from you

as to method

as to method of rejection which would give Russians least grounds for complaint, you may, after making clear that this Govt continues to adhere to its policy not to try to influence Iranian decision, discuss various procedures with them. The following may be helpful to you in this connection:

On several occasions Soviet leaders have expressed concern lest some great power unfriendly to Soviet Union should contrive to get some kind of foothold in Northern Iran. It is possible that certain elements in Soviet Union fear that US or GB may have designs of this character. In order to allay any genuine Soviet apprehension of this kind which might exist, Majlis in rejecting concession might express view that in future, so far as possible, Iranians rather than foreign concessionaires should endeavor to develop Iranian resources, pointing out that such a policy is in harmony with spirit of Seven-Year Plan of economic development; that Iranian Govt, in accord with such a policy, is not to grant any mineral concessions whatever in Northern Iran to foreign concessionaires. In case the Russians should complain about this policy, Iranian officials could point out that twenty-five years ago Soviet Union was encouraging the granting of concessions to foreigners but that after some experience it dropped this practice. Soviet Govt is not in position, therefore, to complain if Iran decides to endeavor, in so far as practicable, to develop its own resources.

4. You may inform your Brit colleague in confidence re contents of this telegram.

Sent Tehran as Dept's 487 rptd London as Dept's 3545 and Moscow as Dept's 1614.

LOVETT
(Acting)

COMM ROOM: Please repeat to London as Dept's No. 3545 and to Moscow as Dept's no 1614 of August 18, 1947.

NEA:LHenderson:mvleph
8/16-47
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